



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

March 19, 2009

Kerry Doi, President/CEO
Pacific Asian Consortium in Employment (PACE)
1055 Wilshire Blvd., Suite 1475
Los Angeles, CA 90017

Dear Mr. Doi:

RE: **FINAL MONITORING VISIT REPORT** for **PACE NEW HIRE SET & W2W (ET07-0185)**

Date of the Visit:	03/19/09
Beginning/Ending Time:	9:30 a.m. – 12:00 p.m.
Date of Last Visit:	05/29/08
Visit Location:	Los Angeles
Persons in attendance:	Johnson Ng, Program Director, PACE (via conference call) Lusine Ter-Karapetyan, MIS/Performance Manager, PACE Margarita M. Paccarelli, ETP Contract Analyst
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	02/17/07 – 02/16/09	Agreement Amount:	\$198,935
Training Start Date:	02/17/07	No. to Retain:	55
Date Training must be Completed:	11/16/08	Range of Hours:	80-200
Type of Trainee:	New Hire/W2W	Weighted Ave. Hours:	80

FINAL REPORT SUMMARY

• HISTORY OF AGREEMENT CHANGES

The Agreement was executed on December 1, 2006 and training began on February 17, 2007. Ms. Ter-Karapetyan reported that all training was completed on November 21, 2007, which allowed for the 90-day retention period to be completed within the term ending date of the Agreement.

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ETP (04/15/05)

Since the inception of this Agreement, ETP approved the following changes:

- Amendment No. 1, executed on May 28, 2007, changed the contract term date to February 17, 2007 through February 16, 2009, because the ETP training did not start on November 7, 2006 as original planned. The term date did not affect the minimum hourly wage of \$14.00.

This Amendment also changed the minimum class/lab hours was changed from 160 to 80. After the EP training began, Mr. Ng found that some trainees can complete training at a faster pace based on their individual learning abilities and experiences, and he didn't want to delay the trainee's opportunity to be placed on a job.

- Amendment No. 2, executed on June 20, 2008, added Job Readiness Skills to the curriculum. According to Mr. Ng, they have several trainees who do not have experience or need enhancement in job readiness skills, which they need in order to meet the quality standard set by potential employers. This training includes resume building, interviewing, workplace etiquette and presentation/appearance; and will not exceed 25% of the trainee's total curriculum. This Amendment did not change the Agreement amount as PACE will use existing ETP funds for this training.

This Amendment also modified the retention requirement in Job 1. This Agreement currently requires that Job 1 trainees are employed full-time for 90 consecutive days by a participating employer. However, Mr. Ng reported that it is difficult to meet this retention requirement in the transportation industry. As a result, retention in Job 1 can also be completed for 500 hours within 150 days with up to three participating employers.

- **FINAL PROJECT STATISTICS**

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Trainees Started Training:	28	Completed Training:	27
Trainees Enrolled:	27	Completed Retention:	22
Dropped Following Enrollment:	5	In Retention Period:	0

This Agreement contains a variable training plan, which means that reimbursement will be based on the total actual number of training hours completed by each trainee between 80 and 200 training hours. There will be no reimbursement for any trainee who does not complete a minimum of 80 hours of training from the approved curriculum.

Based on the data obtained from the ETP Online Tracking System, there are 27 trainees who met the minimum class/lab training hours. However, five trainees did not meet the retention requirement and are currently on special review. With 27 trainees who completed training and the retention requirements, the projected earnings will be \$63,664 (32% of the Agreement amount).

During this visit, Ms. Pacerelli provided Ms. Ter-Kerapetyan technical assistance on how to do the final contract closeout. She walked her through the invoice process online, including submission of special review. The progress payment and final invoice were completed during this visit.

• **INTERVIEW WITH CONTRACTOR'S REPRESENTATIVES**

You informed the Analyst that the low completion rate was due to conflict with your training subcontractor, Teamsters Academy. In the middle of your contract, Teamsters obtained their own ETP Agreement for a similar type of training and trainees were diverted from PACE to their own contract. The last training provided in this contract was in November 2007. Project was not terminated early because PACE was anticipating that trainees will be enrolled in their Agreement, but it never happened.

Although PACE did not complete 100 percent in this Agreement, Mr. Ng stated that the trainees were very grateful with the ETP program, because it provided them the knowledge and skills to enter in a new field in truck driving, where there is a good labor market.

According to Ms. Ter-Kerapetyan, she did not encounter any problems with the ETP recordkeeping. She stated that the ETP Online System is user-friendly and accessible anywhere at anytime.

TRAINING RECORDS

Ms. Paccereilli conducted a random sampling of 10 trainees who completed training. Records reviewed validated the completion of the training hours required in this Agreement. Records show that these trainees completed between 120 and 160 class/lab training hours and the completed hours matches those posted on the ETP Online Tracking System. Records reviewed confirmed that the Agreement curriculum was provided as specified and the ratio of trainer to trainee delineated in the Agreement training plan was adhered to.

The above findings are based only on the training records reviewed during this visit and represent only a sample of the training records completed to date. Therefore, it is your responsibility to ensure that all training records comply with Panel requirements for auditing purposes. (Reference: Title 22 California Code of Regulations, Section 4442)

AUDIT

Your company will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk review. These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters.

To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Margarita Paccereilli at (818) 755-1317 or by email at mpaccereilli@etp.ca.gov within ten (10) working days from the receipt of this report.

Sincerely,

Dolores Kendrick, Program Manager
North Hollywood Regional Office

Margarita M. Paccereilli, Analyst
North Hollywood Regional Office

cc: David Guzman, Chief, ETP Audit & Program Operations Division (via email)
Kulbir Mayall, ETP Fiscal Manager (via email)
Master File
Project File

Date report mailed to Contractor _____